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Washington, DC 20548

Comptroller General  
of the United States

May 10, 2023

The Honorable Antony J. Blinken  
Secretary of State  
U.S. Department of State  
2201 C Street NW  
Washington, D.C. 20520

**Priority Open Recommendations: Department of State**

**Accessible Version**

Dear Mr. Secretary:

The purpose of this letter is to provide an update on the overall status of the U.S. Department of State's implementation of GAO's recommendations and to call your continued personal attention to areas where open recommendations should be given high priority.<sup>1</sup> In November 2022, we reported that, on a government-wide basis, 77 percent of our recommendations made 4 years ago were implemented.<sup>2</sup> State's recommendation implementation rate was 81 percent. As of April 2023, State had 121 open recommendations. Fully implementing these open recommendations could significantly improve agency operations.

Since our May 2022 letter, State has implemented three of our 13 open priority recommendations.

- In August 2022, State implemented our recommendation to work and consult with other federal agencies that contribute to cyber diplomacy as it establishes the Bureau of Cyberspace and Digital Policy. As outlined in our September 2020 recommendation, State obtained agencies' views, such as from the Department of Defense and Federal Bureau of Investigation, and identified possible risks of unnecessary fragmentation, overlap, and duplication of its efforts before establishing the bureau.
- As part of its fiscal year 2023 budget request, State presented an analysis of global construction inflation's effect on planned embassy construction capacity. Providing this information through State's yearly budget request addresses our September 2018

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<sup>1</sup>Priority recommendations are those that we believe warrant priority attention from heads of key departments or agencies. They are highlighted because, upon implementation, they may significantly improve government operations, for example, by realizing large dollar savings; eliminating mismanagement, fraud, and abuse; or making progress toward addressing a high-risk or duplication issue.

<sup>2</sup>GAO, *Performance and Accountability Report: Fiscal Year 2022*, [GAO-23-900398](#) (Washington, D.C.: Nov. 15, 2022).

recommendation that State should regularly inform stakeholders on how the cost of inflation will affect embassy construction and time frames. The information is essential for congressional stakeholders to identify priorities and funding levels for the Capital Security Construction Program while also understanding the impact of inflation on the program.

- In 2022, State demonstrated that its upgraded financial management system and new processes addressed the Bureau of International Narcotics and Law Enforcement Affairs' (INL) data reliability issues related to missing or miscoded democracy assistance data. For example, the upgraded system eliminated the duplicate entry of fiscal data and reduced manual data-entry errors. These changes improved the quality of INL's democracy assistance data and fully implemented our December 2017 recommendation that INL identifies and addresses factors that affect the reliability of its data.

We ask your continued attention to the remaining 10 priority recommendations. We are also adding two new recommendations related to data quality and cybersecurity. This brings the total number of priority recommendations to 12. (See Enclosure 1 for the list of recommendations.)

The 12 priority recommendations fall into the following six areas.

**Strengthening emergency preparedness:** According to State, the U.S. government has no higher priority than protecting American citizens. During the first 6 months of the COVID-19 pandemic, State carried out a historic effort to repatriate more than 100,000 U.S. citizens and permanent residents from 137 countries. Our two priority recommendations call on State to develop a mechanism ensuring each post completes required emergency preparedness drills and establishes a mechanism that systematically assesses overseas posts' preparedness to respond to crises. Implementing these recommendations in this area could help State strengthen its preparedness for future crises.

**Enhancing training efforts:** Supporting U.S. global competitiveness is a long-standing U.S. government interest. Increased globalization and recent economic and financial crises have heightened concerns that U.S. businesses may be at a disadvantage in foreign markets. Our two priority recommendations call for conducting periodic assessments of State's training needs and establishing a mechanism to consult with external stakeholders about whether the training is achieving desired results. By fully implementing these recommendations, State could enhance its training related to economic and commercial diplomacy.

**Improving data quality:** Federal decision makers need sufficient quality data to assess whether federal programs achieve intended results and to make informed decisions. We recommended that State analyzes documents from overseas posts to identify improper payments and establishes procedures to verify budget data—including data reported to Congress—are complete and accurate. By fully implementing three priority recommendations, State could improve the quality of data for reporting, analysis, and oversight purposes.

**Improving overseas maintenance:** State operates and maintains nearly 8,500 owned and 280 capital-leased properties—including buildings and other structures—at more than 270 U.S. embassies, consulates, and other posts overseas. Our recommendation calls for developing a plan to address State's deferred maintenance and repair backlog and to

identify the related funding and time frames in congressional budget requests. Implementing this recommendation regarding overseas property maintenance would improve budgetary decision-making.

**Improving cybersecurity:** In March 2021, we reported that the federal government needs to urgently address the nation’s major cybersecurity challenges, including fully implementing a national cyber strategy and clearly defining a central role for leading the implementation of the national strategy.<sup>3</sup> High-profile cyberattacks targeting the public and private sectors further highlight the urgent need to take action, such as addressing weaknesses in federal cybersecurity programs. We recommended that State establish a coordination process between its cybersecurity and enterprise risk management functions and define the roles of its privacy officials reviewing privacy protections for systems with personally identifiable information. By fully implementing three priority recommendations, State could improve efforts to identify critical information technology (IT) and cyber-related workforce needs and better protect against cyber threats.

**Complying with congressional reporting requirements:** Congress appropriates tens of billions of dollars for foreign assistance annually. Congress also mandates that the President notify Congress how the U.S. government will allocate funds for foreign countries and international organizations, by category of assistance, within 30 days of the enactment of any law appropriating funds to carry out any provision of the Foreign Assistance Act of 1961 or the Arms Export Control Act.<sup>4</sup> Our recommendation calls for State to review its process, determine the amount of time needed to address this requirement, and submit a legislative proposal to extend the mandated time frame if 30 days is insufficient. By fully implementing one priority recommendation, State could ensure that it meets congressional reporting requirements regarding the allocation of U.S. foreign assistance funds to foreign countries and international organizations.

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In April 2023, we issued our biennial update to our [High-Risk List](#). This list identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement. It also identifies the need for transformation to address economy, efficiency, or effectiveness challenges.<sup>5</sup>

Several government-wide, high-risk areas also have direct implications for State and its operations. These include (1) [improving the management of IT acquisitions and operations](#), (2) [improving strategic human capital management](#), (3) [managing federal real property](#), (4) [ensuring the cybersecurity of the nation](#),<sup>6</sup> and (5) [managing government-wide personnel security clearance process](#).

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<sup>3</sup>GAO, *High-Risk Series: Federal Government Needs to Urgently Pursue Critical Actions to Address Major Cybersecurity Challenges*, [GAO-21-288](#) (Washington, D.C.: Mar. 24, 2021).

<sup>4</sup>22 U.S.C. § 2413. This requirement does not apply to funds appropriated to carry out sections 2261 or 2397 of Title 22 of the U.S. Code.

<sup>5</sup>GAO, *High-Risk Series: Efforts Made to Achieve Progress Need to be Maintained and Expanded to Fully Address All Areas*, [GAO-23-106203](#) (Washington, D.C.: Apr. 20, 2023).

<sup>6</sup>With regard to cybersecurity, we also urge you to use foundational information and communications technology supply chain risk management practices set forth in our December 2020 report: GAO, *Information Technology:*

We urge your attention to these government-wide, high-risk issues as they relate to State. Progress on high-risk issues has been possible through the concerted actions and efforts of Congress, the Office of Management and Budget, and the leadership and staff in agencies, including within State. In March 2022, we issued [a report on key practices to successfully address high-risk areas](#), which can be a helpful resource as your agency continues to make progress to address high-risk issues.<sup>7</sup>

In addition to your continued attention on these issues, Congress plays a key role in providing oversight and maintaining focus on our recommendations to ensure they are implemented and produce their desired results. Legislation enacted in December 2022 includes a provision for GAO to identify any additional congressional oversight actions that can help agencies implement priority recommendations and address any underlying issues relating to such implementation.<sup>8</sup>

There are various strategies Congress can use in addressing our recommendations, such as incorporating them into legislation. Congress can also use its budget, appropriations, and oversight processes to incentivize executive branch agencies to act on our recommendations and monitor their progress. For example, Congress can hold hearings focused on State's progress in implementing GAO's priority recommendations, withhold funds when appropriate, or take other actions to provide incentives for agencies to act. Moreover, Congress could follow up during the appropriations process and request periodic updates. Congress also plays a key role in addressing any underlying issues related to the implementation of these recommendations. For example, Congress could pass legislation providing an agency explicit authority to implement a recommendation or requiring an agency to take certain actions to implement a recommendation.

Copies of this report are being sent to the Director of the Office of Management and Budget and the appropriate congressional committees. In addition, the report will be available on the GAO website at <http://www.gao.gov>.

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*Federal Agencies Need to Take Urgent Action to Manage Supply Chain Risks*, [GAO-21-171](#) (Washington, D.C.: Dec. 15, 2020).

<sup>7</sup>GAO, *High-Risk Series: Key Practices to Successfully Address High-Risk Areas and Remove Them from the List*, [GAO-22-105184](#) (Washington, D.C.: Mar. 3, 2022).

<sup>8</sup>James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Pub. L. No. 117-263, § 7211(a)(2), 136 Stat. 2395, 3668 (2022); H.R. Rep. No. 117-389 (2022) (accompanying Legislative Branch Appropriations Act, H.R. 8237, 117th Cong. (2022)).

I appreciate State's continued commitment to these important issues. If you have any questions or would like to discuss any of the issues outlined in this letter, please do not hesitate to contact me or Jason Bair, Managing Director, International Affairs and Trade, at (202) 512-6881 or [bairj@gao.gov](mailto:bairj@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Our teams will continue to coordinate with your staff on all of the 121 open recommendations. Thank you for your attention to these matters.

Sincerely yours,



Gene L. Dodaro  
Comptroller General  
of the United States

Enclosure

cc: The Honorable Shalanda Young, Director, Office of Management and Budget  
Wendy R. Sherman, Deputy Secretary of State  
John Bass, Under Secretary of State for Management  
Ambassador Victoria Nuland, Under Secretary for Political Affairs  
Ambassador Dr. John N. Nkengasong, U.S. Global AIDS Coordinator and Special Representative for Health Diplomacy  
Ambassador William H. Moser, Director, Bureau of Overseas Buildings Operations  
Dr. Dafna H. Rand, Director, Office of Foreign Assistance  
James A. Walsh, Comptroller for the Department of State and Chief Financial Officer

**Enclosure**

**Priority Open Recommendations to the Department of State**

**Strengthening emergency preparedness**

*COVID-19: State Carried Out Historic Repatriation Effort but Should Strengthen Its Preparedness for Future Crises.* [GAO-22-104354](https://www.gao.gov/products/GAO-22-104354). Washington, D.C.: November 2, 2021.

**Year Recommendations Made:** 2022

**Recommendations:**

1. The Secretary of State should ensure that the Executive Secretary, the Under Secretary for Management (M), and the Under Secretary for Political Affairs work with the regional bureaus to develop a mechanism for ensuring that each post completes, and documents completion of, required emergency preparedness drills.
2. The Secretary of State should ensure that the relevant bureaus and offices establish a mechanism to systematically assess overseas posts' preparedness to respond to crises such as the COVID-19 pandemic.

**Actions Needed:** State concurred with these recommendations and, as of February 2023, said that it is assessing existing policies and practices that are already mandated with a focus on how to improve compliance. To fully implement these recommendations, State must provide documentation showing that it has developed a mechanism for ensuring that each post completes required emergency preparedness drills. State must also show that relevant bureaus and offices have established a mechanism to systematically assess overseas posts' preparedness to respond to crises. Implementing these priority recommendations would help State ensure that posts are ready for future crises.

**Director:** Nagla'a El-Hodiri

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### Enhancing training efforts

*Economic and Commercial Diplomacy: State and Commerce Implement a Range of Activities, but State Should Enhance Its Training Efforts.* [GAO-22-104181](#). Washington, D.C.: December 13, 2021.

**Year Recommendations Made:** 2022

### Recommendations:

1. The Secretary of State should ensure that the Foreign Service Institute develops and implements a process to conduct periodic, comprehensive assessments of training needs across the economic and commercial diplomacy issue area.
2. The Secretary of State should ensure that the Foreign Service Institute establishes a mechanism to periodically consult with external stakeholders, including the U.S. Department of Commerce, private sector entities, and industry groups, about whether State's training programs in economic and commercial diplomacy are achieving the desired impact.

**Actions Needed:** State concurred with these recommendations and said that, among other things, it had taken steps to initiate a regular process to assess training needs for its economic and commercial diplomacy training. In addition, it was establishing a stakeholder advisory group through which it planned to engage with private sector and industry groups. To fully implement these recommendations, State needs to provide documentation showing that it has (1) developed and implemented a process for conducting periodic, comprehensive assessments of economic and commercial diplomacy training needs and (2) established a mechanism for periodic consultation with external stakeholders. However, as of February 2023, State has not provided us with the needed documentation.

Implementing these priority recommendations would provide State reasonable assurance that (1) it has an adequate strategic approach for prioritizing training across the economic and commercial diplomacy issue area, and (2) it obtained appropriate stakeholder perspectives and feedback on whether it is providing staff the necessary training and competencies to support U.S. businesses overseas.

**Director:** Kim Gianopoulos

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### Improving data quality

*Overseas Allowances: State Should Assess the Cost-Effectiveness of Its Hardship Pay Policies.* [GAO-17-715](#). Washington, D.C.: September 13, 2017.

**Year Recommendation Made:** 2017

**Recommendation:** The department's Comptroller should analyze available diplomatic cable data from overseas posts to identify posts at risk of improper payments for hardship pay, identify any improper payments, and take steps to recover and prevent them.

**Actions Needed:** State concurred with this recommendation. According to State, it continues to identify and seek repayment of improper payments and communicate the importance of timely actions to the regional bureaus and posts to ensure improper payments do not occur. In addition, the Bureau of the Comptroller and Global Financial Services (CGFS) has rolled out the Overseas Personnel System, which centralizes the collection of arrival and departure data for the calculation of improper payment notification and risk analysis.

Moreover, officials believe that changes State implemented in 2021 to streamline the department's hardship policy have significantly reduced the risk of improper payments. However, as of February 2023, CGFS has not provided us with the analysis to verify this assertion, as needed to close the recommendation as implemented. Without implementing this priority recommendation, State may be missing an opportunity to identify, recover, and prevent improper payments that could produce cost savings for the U.S. government.

**Director:** Nagla'a El-Hodiri

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*President's Emergency Plan for AIDS Relief: State Should Improve Data Quality and Assess Long-term Resource Needs.* [GAO-21-374](#). Washington, D.C.: May 20, 2021.

**Year Recommendation Made:** 2021

**Recommendation:** The Secretary of State should ensure the U.S. Global AIDS Coordinator establishes standard, documented procedures to fully track and verify President's Emergency Plan for AIDS Relief (PEPFAR) program-level budget data, including data used for reporting to Congress, to ensure that these data are complete and accurate.

**Actions Needed:** State concurred with this recommendation and stated that it made improvements in establishing standards and procedures and improving systems to track and verify program-level budget data. To fully implement this recommendation, State must provide

documentation of its procedures to fully track and verify PEPFAR program-level budget data and ensure these data are complete and accurate. Implementing this priority recommendation would help improve the completeness and accuracy of PEPFAR program-level budget data, improve the reliability of the data used for congressional reporting, and enable a resource trends analysis needed to inform future programming.

**Director:** Chelsa L. Kenney

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*Consular Affairs: State May Be Unable to Cover Projected Costs if Revenues Do Not Quickly Rebound to Pre-Pandemic Levels.* [GAO-22-104424](#). Washington, D.C.: April 18, 2022.

**Year Recommendation Made:** 2022

**Recommendation:** The Secretary of State should ensure the Bureau of Consular Affairs develops a plan to assess and document what fee amounts, statutory changes, supplemental and annual funding, or other actions would allow State to cover future consular costs.

**Actions Needed:** State did not concur with this recommendation, stating that its cost model presents unrecovered costs by service. In September 2022, State noted that there already is a plan but did not provide documentation for such a plan as of February 2023. Additionally, State noted that worldwide demand for consular services has rebounded more quickly than previously anticipated, with the projected number of nonimmigrant visa fee-paying applications reaching 93 percent of pre-pandemic levels in fiscal years 2023 and 2024. Passport demand has surged, with State projecting historically high counts in fiscal year 2023. According to State, these demand levels, coupled with temporary changes to expenditure authorities for certain consular fees, are allowing the Bureau of Consular Affairs to maintain its fee-funded structure that supports the consular mission in the near term. Nevertheless, State is concerned that future fee revenue may remain susceptible to downward swings in demand and continues to advocate for permanent expanded expenditure authorities for multiple fees.

GAO maintains that a plan to assess and document which measures would be sufficient to cover costs without generating carryover balances in excess of the targeted threshold is important. To fully implement this recommendation, State should perform, document, and share this analysis to enable policymakers to understand the potential impact of each option, in isolation or in combination, before requesting legislative action. Taking these actions would help ensure that future revenue and expenditures align, could help policymakers understand the relative advantages and drawbacks of the various measures, and may inform legislative and policy decisions.

**Director:** Nagla'a El-Hodiri

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### **Improving overseas property maintenance**

*Overseas Real Property: Prioritizing Key Assets and Developing a Plan Could Help State Manage Its Estimated \$3 Billion Maintenance Backlog.* [GAO-21-497](#). Washington, D.C.: September 15, 2021.

**Year Recommendation Made:** 2021

**Recommendation:** The Secretary of State should ensure that the Director of the Bureau of Overseas Buildings Operations develops a plan to address State’s deferred maintenance and repair backlog, and specifically identifies the funding and time frames needed to reduce it in congressional budget requests, related reports to decision makers, or both.

**Actions Needed:** State concurred with this recommendation and as of February 2023, continues to make progress on developing a plan to address its deferred maintenance and repair backlog. For example, State has analyzed data trends related to the backlog, among other things. To fully implement the recommendation, State needs to complete its plan and share the funding and time frames needed to address it with key decision makers, including Congress. Implementing this priority recommendation would help decision makers better understand how funding levels affect backlog reduction.

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### Improving cybersecurity

*Cybersecurity Workforce: Agencies Need to Accurately Categorize Positions to Effectively Identify Critical Staffing Needs.* [GAO-19-144](#). Washington, D.C.: March 12, 2019.

**Year Recommendation Made:** 2019

**Recommendation:** To complete the appropriate assignment of codes to their positions performing IT, cybersecurity, or cyber-related functions, in accordance with the requirements of the Federal Cybersecurity Workforce Assessment Act of 2015, the Secretary of State should take steps to review the assignment of the “000” code to any positions in the department in the 2210 IT management occupational series, assign the appropriate National Initiative for Cybersecurity Education (NICE) framework work role codes, and assess the accuracy of position descriptions.

**Actions Needed:** State concurred with the recommendation. In January 2020, we confirmed that State had assigned NICE framework work role codes to its positions in the 2210 IT management occupational series. However, as of February 2023, the department had not yet provided sufficient evidence to demonstrate that it has completed its efforts to assess the accuracy of position descriptions. To fully implement this recommendation, State will need to provide evidence that it has assessed the accuracy of position descriptions.

**High-Risk area:** [Ensuring the Cybersecurity of the Nation](#)

**Director:** Dave Hinchman

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*Cybersecurity: Agencies Need to Fully Establish Risk Management Programs and Address Challenges.* [GAO-19-384](#). Washington, D.C.: July 25, 2019.

**Year Recommendation Made:** 2019

**Recommendation:** The Secretary of State should establish and document a process for coordination between cybersecurity risk management and enterprise risk management functions.

**Actions Needed:** State concurred with this recommendation and is working to update the relevant policies and procedures. To fully implement this recommendation, State needs to provide documentation of its process for coordinating between its cybersecurity and enterprise risk management functions. However, as of January 2023, State has not updated its policies. Without updated policies for coordination, senior leadership responsible for enterprise risk management functions may not be fully aware of significant cybersecurity risks and their potential impacts on the mission of the agency.

**High-Risk area:** [Ensuring the Cybersecurity of the Nation](#)

**Director:** Marisol Cruz Cain

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*Privacy: Dedicated Leadership Can Improve Programs and Address Challenges.* [GAO-22-105065](#). Washington, D.C.: September 22, 2022.

**Year Recommendation Made:** 2022

**Recommendation:** The Secretary of State should establish a time frame for fully defining the role of the senior agency official for privacy or other designated privacy official in reviewing and approving system categorizations, overseeing privacy control assessments, and reviewing authorization packages, and document these roles.

**Actions Needed:** State concurred with this recommendation and described plans to address it. To fully implement this recommendation, State needs to develop and document policies and procedures specifying the roles that its senior agency official or other designated privacy officials are to play in these steps for authorizing systems with personally identifiable information. As of February 2023, the department stated that it planned to fully define and document these roles by April 30, 2024. Taking these actions would help State ensure that privacy protections are adequately incorporated into the relevant systems.

**Director:** Jennifer R. Franks

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**Complying with congressional reporting requirements**

*Foreign Assistance: State Department Should Take Steps to Improve Timeliness of Required Budgetary Reporting.* [GAO-19-600](#). Washington, D.C.: September 9, 2019.

**Year Recommendation Made:** 2019

**Recommendation:** The Secretary of State should ensure that the Director of State's Office of U.S. Foreign Assistance Resources conducts a review of the Section 653(a) process to identify process steps that can be streamlined or eliminated and determine the time frame needed to prepare the annual Section 653(a) report. If State determines that the time frame exceeds 30

days, the office should coordinate with other appropriate officials to submit a legislative proposal to Congress to extend the mandated time frame for submitting Section 653(a) reports.

**Actions Needed:** State concurred with this recommendation. State has provided documentation showing that it reviewed the Section 653(a) process and determined that the time frame needed to prepare the report exceeded 30 days. However, we are awaiting confirmation that State submitted a legislative proposal to Congress to extend the mandated time frame for submitting Section 653(a) reports, which it must do to fully implement this recommendation. Without implementing this priority recommendation, State will likely continue to violate its legal mandate for submitting Section 653(a) reports to Congress.

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